Income tax arrears against McDowells

604. SHRI SHANKER SINH VAGHELA : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the newsitem which appeared in the 'Times of India' of the 14th January, 1986 to the effect that more than Rs. 6 crores towards income-tax arrears is outstanding against the McDowells; and

(b) whether any proceedings have been instituted against the company for the speedy recovery of this amount ; if not, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) and (b) : Yes, Sir. Tax demands outstanding agains t M/s. McDowells and Co. Limi ted were as under :—>

(Rs. in lakhs)

Income-tax arrears . .	622 .16
Current demand . .	115.48
Surtax	0.22
	737.86

Out of Rs. 7.38 crores, a sum of Rs. 2.29 crores was collected as a result of garnishes proceeding initiated under section 226(3) of the Income-tax Act, 1961, thus leaving the demand including interest outstanding in this case at Rs. 5.20 crores.

The income-tax demand amounting to Rs. 4.57 crores is covered by a stay ganted by the Madras High Court (Single Bench) against which a Writ Appeal has been fil^d before theDivisior. Bench. Further collection in this case is, thus, dependent upon the fate of Department's Writ 4ppeal.

Financing and revival of sick industrial units

605. SHRI SHANKER SINH VAGHELA : Will the Minister of FINANCE be pleased state :

(a) whether it is a fact that a special meeting of financial institutions, *i.e.* the Industrial Development Bank of India and the Industrial Reconstruction Corporation of India was held in New Delhi during the mondr of February 1986 to review all aspects of financing for the revival of sick industrial units and to chalk out ways and means to prevent industrial sicknenss in the country; and

(b) if so, what is the coutcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) :

(a) No, Sir.

(b) Does not arise.

Action against Shri Rajender Scthia for cheating Punjab National Bank

606. SHRI SHANKER SINH VAGHELA: Wih the Minister of FINANCE be pleased to state :

(a) whether any action has been taken against Shri Rajinder Sethia, a London-based Indian businessman, for cheating the Punjab National Bank to the extent of more than Rs. io crores; and

(b) If not, what are the reasons for the delay and at what stage the matter stands at present ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANACE (SHRI JANARDHAN POOJ ARI) : (a) and (b) The Central Bureau of Investigation has reported that it had registered a case under Sections 120B, 420, 467, 468 and 471 IPC against Shri Rajinder